

A RESOLUTION OF THE CAROLINE STREET CORRIDOR AND BAHAMA VILLAGE COMMUNITY REDEVELOPMENT AGENCY (CRA), AUTHORIZING A FUNDING "LETTER OF COMMITMENT" FROM THE CITY OF KEY WEST IN THE AMOUNT OF UP TO \$250,000.00 IN SUPPORT OF PRESERVATION OF THE SCHOONER WESTERN UNION, CONTINGENT UPON THE AWARD/RECEIPT OF MATCHING FUNDS (2:1 RATIO OF STATE FUNDING TO LOCAL FUNDING) FROM THE STATE OF FLORIDA HISTORIC PRESERVATION GRANT PROGRAM; PROVIDED THAT THE LETTER OF COMMITMENT IS ALSO CONTINGENT UPON THE EXECUTION OF AN AGREEMENT TO ENSURE THAT THE SCHOONER WESTERN UNION WILL REMAIN AT THE KEY WEST HISTORIC SEAPORT; AUTHORIZING NECESSARY BUDGET TRANSFERS; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Schooner Western Union was submitted to the National Register of Historic Places on May 16, 1984; and

WHEREAS, in Resolution No. 97-301, the City of Key West proclaimed the Schooner Western Union the Official Flagship of the City of Key West, and in the Florida State House Rotunda it is listed as the State Flagship of Florida; and

WHEREAS, the Schooner Western Union remains an integral piece of the history of Key West and the Historic Seaport at Key West Bight; and

WHEREAS, the Schooner Western Union requires substantial restoration and upgrades to remain seaworthy, and continue its role as a unique example of living history to educate residents

and visitors about the significant role of Key West, and the State of Florida, within maritime history; and

WHEREAS, the Schooner Western Union Preservation Society (SWUPS), a 501(c)3 non-profit organization, is charged with preserving the Schooner Western Union, and has identified a State Historic Preservation grant funding program, which requires a funding match of up to \$250,000.00, towards a restoration project with a total value of up to \$750,000.00; and

WHEREAS, at its meeting of June 10, 2015, the Key West Bight Management District Board considered SWUPS request for a funding Letter of Commitment from the City, in support of their grant application; and

WHEREAS, a Letter of Commitment would enable SWUPS to meet the grant deadline of June 30, 2015 and help to preserve the Schooner Western Union for generations to come; and

WHEREAS, there are sufficient funds in the Key West Bight unrestricted reserves to account for this cost.

NOW, THEREFORE, BE IT RESOLVED BY THE CAROLINE STREET CORRIDOR AND BAHAMA VILLAGE COMMUNITY REDEVELOPMENT AGENCY, AS FOLLOWS:

Section 1: That a Letter of Commitment, for the amount of up to \$250,000.00, to the Schooner Western Union Preservation Society and Museum is hereby authorized.

Section 2: That any financial commitment set forth in the Letter of Commitment authorized herein on behalf of the Key West Historic Seaport/City of Key West, is contingent upon the award of a State of Florida Historic Preservation Grant for restoration of the Schooner Western Union. City/CRA funds will be used specifically to match the State grant funds in a 50% ratio, up to a total of \$250,000.00.

Section 3: That SWUPS shall agree to execute an agreement to guarantee that the vessel will remain at the Key West Historic Seaport.

Section 4: That no funds shall be expended as a result of this Letter of Commitment without further Resolution of the City Commission.

Section 5: That necessary budget transfers are authorized consistent with this resolution.

Section 6: That the City Manager is authorized to execute a Letter of Commitment for the amount of up to \$250,000.00, as required for grant application purposes for the State of Florida Historic Preservation Grant documents, upon the advice and consent of the City Attorney.

Section 7: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Agency.

Passed and adopted by the Caroline Street Corridor and Bahama Village Community Redevelopment Agency at a meeting held this 16 day of June, 2015.

Authenticated by the presiding officer and Clerk of the Agency on June 17, 2015.

Filed with the Clerk June 17, 2015.

Chairman Craig Cates	<u>Yes</u>
Vice Chair Mark Rossi	<u>No</u>
Commissioner Teri Johnston	<u>Yes</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>
Commissioner Tony Yaniz	<u>No</u>



CRAIG CATES, CHAIRMAN

ATTEST:



CHERYL SMITH, CITY CLERK



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

TO: Jim Scholl, City Manager
FROM: Doug Bradshaw, Port and Marine Services Director
CC: Greg Veliz, Asst. City Manager
Sarah Spurlock, Asst. City Manager
Shawn Smith, City Attorney
DATE: June 9, 2015
SUBJECT: Schooner Western Union Funding Request

On the June 10, 2015 Key West Bight Board agenda is an item sponsored by Board Member Harry Bowman that is requesting a letter of commitment in the amount of \$250,000 to be used as matching funds for a \$500,000 State of Florida, Historic Preservation grant for restoration of the Schooner Western Union. The request was submitted by the Schooner Western Union Preservation Society and Museum.

Staff, in reviewing the request, has several comments:

1. This is not a budgeted item so a budget amendment/transfer from reserves would be required. There is sufficient unrestricted reserve dollars for this request.
2. If the funding is approved there needs to be some guarantee that the vessel will remain at the Key West Historic Seaport.
3. What are the long term plans for maintaining and successfully operating the ship after this major overhaul?

Staff believes that if the restrictions are put in place to guarantee that the vessel remains at the Historic Seaport and is operated successful, then a commitment of the financial resources to restore the vessel is an appropriate use of Key West Historic Seaport dollars.

Key to the Caribbean – Average yearly temperature 77° F.

CKW/CRA Executive Summary Schooner Western Union /KWBB Funds Request

- a. As the City of Key West and State of Florida Flagship, an important distinction of the schooner *Western Union* is being the last of the iconic tall coasting schooners constructed and launched in Key West.
- b. The schooner is the last remaining representation of the Historic Key West Bight maritime heritage and is the "*Centerpiece of the Key West Bight.*"
- c. As a state treasure, the schooner *Western Union* name is displayed in honor -- high on the Florida state house rotunda wall listed as the State Flagship.
- d. The schooner *Western Union* represents to Key West what the USS Constitution "Old Ironsides" represents to the port of Boston and the Statue of Liberty to the port of New York.
- e. Such Flagship designations make the schooner *Western Union* the symbolic property of the citizens of Key West & Florida Keys and the State of Florida.
- f. SWUPS, a 501-c3 not-for-profit, FL Corporation is charged with preserving the SOF historic Flagship, the schooner *Western Union*
- g. SWUPS has no paid staff and is an all-volunteer organization (outside of a Capt. and crew employed during passenger sailing operations.)
- h. SWUPS board of directors believes that completing the restoration of the schooner *Western Union* falls in tandem with the mission of the Key West Bight Board to preserve and enhance the quality of the Historic Seaport.
- i. The request is for \$250,000 in the form of a funding *Letter of Commitment* from the Key West Bight Management District/City of Key West.

- j. The application for the \$500,000 (2 to 1) matching funds from the State of Florida Historic Preservation Grant Program must be completed in full and received in e-form no later than 5:00 PM, June 30, 2015 in order to qualify for the grant.
- k. SWUPS will support codicils with the \$250,000 funding that require the schooner *Western Union* remain home ported in Key West and operate for the benefit of Key West residents and visitors.
- l. The schooner *Western Union* will only depart Key West for maintenance or brief participation in historic events.
- m. The restoration will be performed in accordance of the guidelines outlined in the State of Florida – Department of State, Division of Historical Resources (DHR) and will be supervised by the Historic Preservation Grants Department.
- n. The completion of this second phase of a two-part (nearly) \$2 million restoration of the schooner *Western Union* represents the first major renovation of the 76-yr. old historic vessel since the schooner's construction and launch from Key West in April 1939.
- o. SWUPS passenger sailing operations have demonstrated since 2011 that the schooner *Western Union* can generate enough revenue to support sailing operations plus generate a 10% excess per year that will be used for the vessels biennial haul outs.
- p. Licensed shipwright estimates and quotes from MarPro Boatyard, Tarpon Springs, reveal that \$750,000 is adequate to cover the renovation expense including tracking expenses and administrative expenses.
- q. A more detail estimate is expected prior to the KWBB meeting on Wed., 10 June

Prepared on behalf of the Board of Directors of the
Schooner Western Union Preservation Society
William M. Barry, Past President & Chair

Copy: SWUPS BOD

Key West Bight Management District Board Agenda Item

I. Approve a funding Letter of Commitment of *Two Hundred and Fifty Thousand Dollars* (\$250,000) to the *Schooner Western Union Preservation Society and Museum* (SWUPS).

i. Such commitment provides SWUPS ability to receive a *Five-Hundred Thousand Dollar* (\$500,000) two to one (2-1) match, State of Florida, Historic Preservation Grant.

ii. Such grant will enable SWUPS to complete the second and final phase of a multi-year (2008 – 2016) \$2 million total restoration of the historic 76-yr. old City of Key West & State of Florida Flagship, the schooner *Western Union*.

II. Authorizing the City Manager to execute such funding Letter of Commitment.

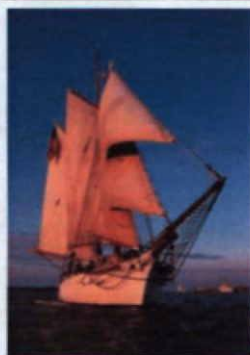
I. And, to provide such funding letter to SWUPS on or before June 23, 2015 so to meet the SOF, Historic Preservation Grant request deadline.



Schooner Western Union

PRESERVATION SOCIETY & MARITIME MUSEUM

OFFICIAL FLAGSHIP OF FLORIDA & THE CITY OF KEY WEST



The Honorable Mayor Cates
& City of Key West Commissioners
Old City Hall
510 Greene Street
Key West, FL 33040

June 15, 2015
Page 1 of 2

Dear Mayor & City Commissioners,

Thank you for the opportunity to tell you about the schooner *Western Union*, the Flagship of the State of Florida and the City of Key West.

The *Schooner Western Union Preservation Society & Museum* (SWUPS) is a Florida 501(c) (3) not-for profit-organization FEI # 20-5958968.

SWUPS is charged with preserving and operating the State of Florida and City of Key West Flagship. We are an all-volunteer organization with no paid staff (outside of a Capt. and crew during sailing operations.)

Launched in April 1939, the 76-yr. old schooner was the last of the iconic coasting schooners built and launched in Key West. The schooner maintained the Western Union Telegraph Company undersea cables that linked Florida's coastal cities to the Caribbean island nations', Central & South America and the Gulf states. In doing so, the schooner greatly contributed to Florida's economic growth.

In 2012, the Florida House and Senate voted unanimously to designate the historic schooner the official *Flagship of the State of Florida*. The Governor signed the legislation and on July 1, 2012 the schooner *Western Union* became a state treasure. The schooner is now listed high on the state Capitol rotunda wall as the State Flagship.

The City of Key West passed a resolution in 1997 naming the schooner *Western Union* as the Flagship of the City of Key West.

In 1984, The U.S. Department of Interior placed the schooner on the "*National Register of Historic Places*".

Historic Tours of America donated the *Western Union* to SWUPS in 2007, debt free. A fund raising project began to perform a first time major restoration of the 70-yr. old wooden schooner.

The Monroe County Tourist Development Council provided a \$405,000 award and the Historic Florida Keys Foundation a \$300,000 grant. A number of grass roots Monroe county residents and businesses contributed \$239,949 in (tax declared) donations ranging from \$1 to \$25,000.

In 2009 a temporary shipyard was constructed at the Truman Waterfront and the first phase of a two-part major restoration project of the schooner was underway using professional shipwrights whose experience included work on the USS Constitution.

www.SchoonerWesternUnion.org ■ SWUPS@servethemembers.com ■ Phone (305) 292-1208

P.O. Box 4379, Key West, FL 33041 ■ 201 William Street, Key West FL 33040

The Schooner Western Union Preservation Society is a 501(c)(3) not-for profit-organization FEI # 20-5958968. A COPY OF OUR OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE FLORIDA DIVISION OF CONSUMER SERVICES BY CALLING (800) 435-7352. REGISTRATION DOES NOT IMPLY ENDORSEMENT BY THE STATE.

Florida's Historic Sailing Maritime Museum

Board of Directors

Guy de Boer
Past-Chair/President

Frank Holden
Secretary

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Richard Manley
Project Management

John Jones
City Relations

Cori Convertito
Historian

Barton William Smith
Attorney

Edwin O. Swift, III
At Large

Emeritus

William M. Barry
Past-President/Chair

The first phase of the restoration was a \$1 million project. The second and final phase of the restoration was to be another \$1 million.

Passing a United States Coast Guard (USCG) certification process, the schooner was re-launched into service April 2011. A launching ceremony was held in the Key West Bight and then a fleet of Key West vessels with water cannons sailed with the schooner out of the harbor.

The (temporary) SWU/USCG passenger sailing certification expired July 2013 and the second-phase of the major restoration must be completed before the schooner can resume service. More importantly, so the schooner can be saved for future Key West generations and visitors to enjoy.

An established well-known shipyard in Tarpon Springs was purchased by MarPro Investors of St. Petersburg, FL who has funded renovating and expanding the yard's capabilities to work on wooden ships larger than the *Western Union*. MarPro desires to be the yard to restore the State of Florida & Key West Flagship and has offered generous terms and pricing within a \$750,000 budget

SWUPS had the senior MarPro, Tarpon Springs Shipwright come to Key West for two-days in the past month to access the schooner. The schooner *Western Union's* respected sea Captain of over 20-yrs., Lenn Verreau, has sailed the schooner to the Tarpon Yard for repairs over the years and highly recommends the facility.

The Captain will be in the Tarpon Boat Yard for the restoration process and will be SWUPS on-site point of contact for the MarPro shipwrights.

The Historic Grant Program administered by the Florida Department of State (DOS) will provide a two to one (2 to 1) match of restoration funds up to a \$500,000 grant total.

The FL DOS advised a funding Letter of Commitment from the Key West Bight Board/City of Key West will serve as SWUPS match to qualify for the (2 to 1) Historic Preservation Grant Award

A Letter of Commitment in the amount of *two-hundred and fifty thousand dollars* (\$250,000) from the KWBB/CKW will enable SWUPS to be applicable to receive a *five hundred thousand dollar grant* (\$500,000) from the state of Florida.

SWUPS has been in communication during the past two years with the SOF Grant Program and two-months ago the program administrator reached out and encouraged SWUPS to apply for funding. The Historic Grant Application must be received in Tallahassee by June 30, 2015.

The SOF \$500,000 grant and the matching \$250,000 KWBB/CKW funds are administrated under SOF strict spending management protocol that include a planned work program, inspections and documentation controls similar to that of the Monroe County TDC award that SWUPS adhered to in the first phase of the two-part renovation.

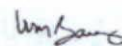
SWUPS \$405,000 TDC Award was processed during the first renovation through the county offices without issue and was properly tracked and controlled within the strict county financial award protocols and guidelines.

All work is required to be inspected and approved by the United States Coast Guard.

SWUPS appreciates this opportunity to partner with the KWBB/CKW to complete the restoration of the *Centerpiece of the Historic Bight*; our City & State Flagship, the *Western Union*.

Let's keep her in the Bight...

On behalf of the SWUPS BOD, William M. Barry, Past-President & Chair



www.SchoonerWesternUnion.org ■ SWUPS@servethemembers.com ■ Phone (305) 292-1208
P.O. Box 4379, Key West, FL 33041 ■ 201 William Street, Key West FL 33040

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Florida's Historic Sailing Maritime Museum

June 4, 2015

To: Sue Harrison
CKW Clerk Office

Copy: Harry Bowman
KWBB BOD

From: William Barry
SWU / Past President/Chair

Re: KWBB June 10 Proposed SWU Agenda Item
Sponsored by Mr. Harry Bowman

Sue,

The attached proposed SWUPS Agenda Item has been approved by Bight Board member Mr. Harry Bowman, the SWUPS Item sponsor. (Mr. Bowman advises he forwarded an email to your attention today requesting this SWU Item be placed on the June 10 meeting Agenda.

Please find below an Index (listing) of the attachments to this email; the Index is also attached as a pdf doc.

Thank you,

William Barry
Past President & Chair
Schooner Western Union Preservation Society & Museum
Cell: 305.240.0898
wmbarry@outlook.com

Page Two: Attachment Index

Attachment Index

(Note: all docs are in pdf format)

Attachment Index.....2-pgs

Doc 1

SWU_KWBB Agenda Item
& Executive Summary.....4-pgs

Doc 2

SWU Timeline.....2-pgs

Doc 3

SWU Presentation.....13-pgs

Doc 4

Gallant Effort to Save SWU
2014-08-31.....3 pgs

Doc 5

KW Citizen Editorial
Don't let the SWU Sail Away
2015-04-01.....1 pg

Doc 6

State Flagship Designation
Gov Signed Senate Bill 326
2012-07-01.....1 pg

Doc 7

CKW Flagship Resolution
97-301
1997-07-01.....1 pg

Doc 8

National Park Service
Register of Historic Places
1984-05-16.....18 pgs

Cover Pg

SWU under full sail, color photo.....1 pg

Schooner Western Union Timeline

1939 April 7	Schooner Western Union launched off Simonton Beach Worked maintaining cables for the Western Union Company
1973	Left cable service to become an excursion vessel in Florida, the Eastern Seaboard and the Gulf of Mexico
1976 July 4	Participated in New York Bicentennial OPSAIL
1980 April	Participated in the Mariel Boat Lift
1984 May 16	WU added to the US National Register of Historic Places Served as a training vessel for troubled youths in the Vision Quest National Ltd. from Philadelphia program and was renamed the New Way
1986 September 23	USCG Stability Letter issued
1997	HTA purchased the vessel and renamed it the Western Union
1997 August 5	SWU designated as the Flagship of the City of Key West
2003	HTA operated SWU as a passenger carrying vessel
2004	HTA operated SWU as a passenger carrying vessel
2005	HTA operated SWU as a passenger carrying vessel
2006	HTA operated SWU as a passenger carrying vessel
2006 November 27	SWUPS was established as a 501(c)(3) corporation
2007	HTA operated SWU as a passenger carrying vessel
2007 October 22	SWU donated to SWUPS by HTA
2007 November 13	SWU Survey by Florida Keys Marine Surveyors David Ghidoni
2007 December	USCG Certification expired
2007 December	SWU halts sailing operations
2007 March	Loan for \$200,000 was taken out from First State Bank to begin the restoration
2008	Marine Surveyor report
2008 June	\$300,000 of repairs completed at Merrill Stevens Boatyard Miami
2008 July 3	USCG Certificate of Inspection issued for 1 year of sailing
2008 July 4	SWU restarts sailing operations
2008 September	Grant Award of \$405,000 from the Monroe County Tourist Development Council (TDC)
2008 September 17	City Commission Resolution approving haul out at Truman Annex
2009 February 2	Phase 1 restoration work schedule established
2009 April 15	SWU hauled out and placed on the Truman Annex seawall
2009 April 2	Ship Mortgage for \$300,000 from the Historic Florida Keys Foundation (HFKF)
2009 December 15	SWU scheduled to be off the Truman Annex sea wall

Schooner Western Union Timeline

2010	An additional loan for \$230,000 from First State bank was taken out to complete the work
2010 June 30	SWU in the water and off the seawall at Truman Annex after 14 months
2010 October 15	USCG Hull Exam approved
2010 December 14	SWU Rigging Inspection by Mark Perkins Marine Surveyor
2011 February 28	USCG approved SWU to resume passenger sailings.
2011 April 9	Official SWU Restoration Launch Day in Key West
2011 April	SWU begins carrying passengers again
2012 January 17	SWUPS 501(c)(3) reinstated
2012 January 29	SWUPS assumed all vessel operations of the schooner from HTA
2012 February 8	SWUPS transitioned sales and marketing from HTA to Momentum
2012 July	Gov. Scott signs the legislation designating the WU as the State Flagship SWUPS operated SWU as a passenger carrying vessel
2013 July 30	Final sailing day due to USCG haulout and inspection requirements
2013 January	After reducing the principal from \$430,000 to \$249,000 the First State Bank loans were refinanced by HTA at more favorable interest rates and terms



Save the Western Union



The Schooner Western Union the Flagship of Key West and the State of Florida

A Living, Working Museum and the
Most Important Piece of Key West
Nautical History We Still Have

June 2, 15

The Flagship of Key West and the State of Florida

1



Save the Western Union



The Schooner Western Union

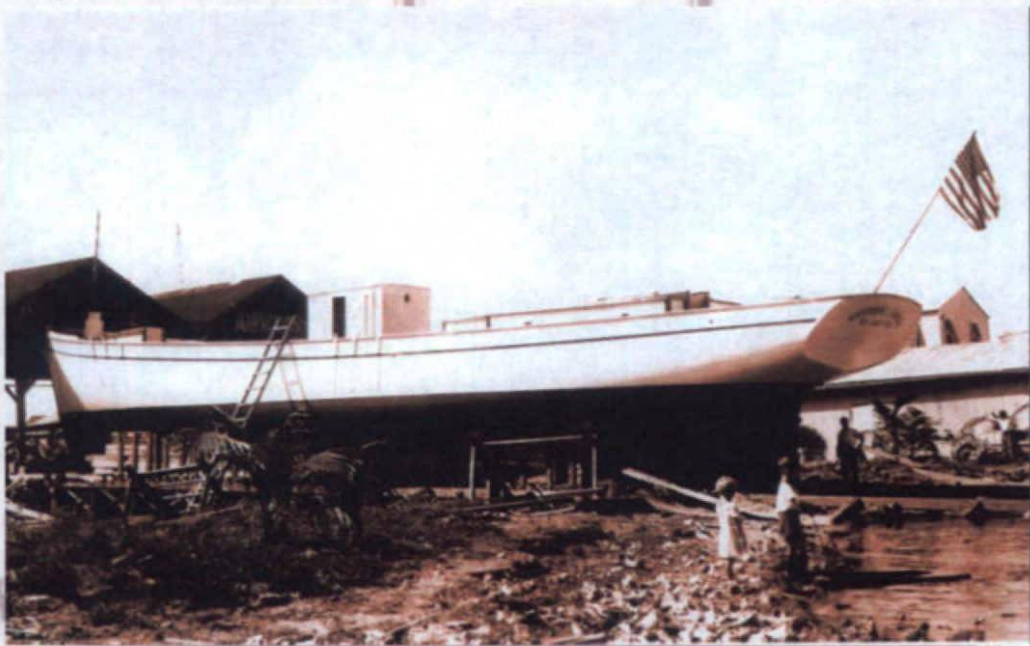
- Fabricated in the Arch Shipyards in the Cayman Islands
- Constructed and launched off Simonton beach in Key West in 1939.
- Length 92' on deck & 126' overall, beam 24', draft 7.5', masts 65', displacement 218 tons
- Hull is yellow pine, frame and stringers are mahogany, and spars are Douglas fir
- Twin GM 671 six cylinder diesel engines
- Speed 8 knots under power, 12.8 knots under sail



Save the Western Union



1939 Simonton Beach



June 2, 15

The Flagship of Key West and the State of Florida

3



Save the Western Union



1939 Simonton Beach



June 2, 15

The Flagship of Key West and the State of Florida

4



Save the Western Union



Working for the Company

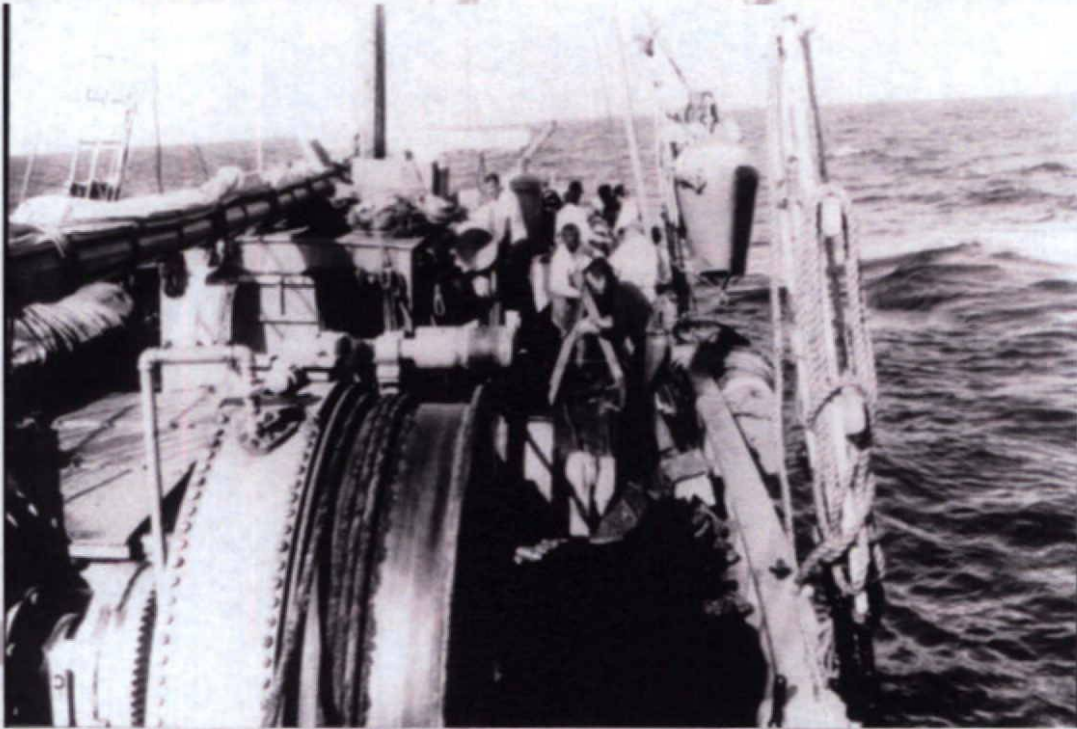
- Commissioned by Thompson Enterprises under contract with Western Union Company
- Logged more than 30,000 miles maintaining communications cables that connected Key West with Cuba and the rest of the Caribbean
- During WWII served as an auxiliary submarine picket ship & maintained critical comms links
- Sailed the Caribbean and South Atlantic until 1974 when she was sold by the Western Union Company



Save the Western Union



Working Cable at Sea



June 2, 15

The Flagship of Key West and the State of Florida

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Save the Western Union



1974 - 1997

- In 1974 she was converted into a passenger vessel and operated out of Key West
- In 1976 she participated in Operation Sail in New York City as part of the United States Bicentennial
- On 16 May 1984 she was placed on the National Register of Historic Places
- In 1984 she was sold to Vision Quest and used for a troubled youth program
- In 1997 she was purchased by HTA and operated with sunset and day sails and charter trips.



Save the Western Union



2006-2013

- November 2006 SWUPS was established to restore and preserve the schooner as a working museum commemorating Florida's seafaring heritage.
- October 2007 HTA donated the schooner to SWUPS.
- In 2008 a major refit was needed & the "Save the Union" campaign was launched.
- \$1.2 million in donations & grants received from private citizens, the TDC & HFKF for the restoration.
- April 2011 Western Union re-launched.
- 2012 designated as **Flagship of the State of Florida**
- She continued sailing until July 2013.



Save the Western Union



2010 On the Hard in Truman Annex



June 2, 15

The Flagship of Key West and the State of Florida

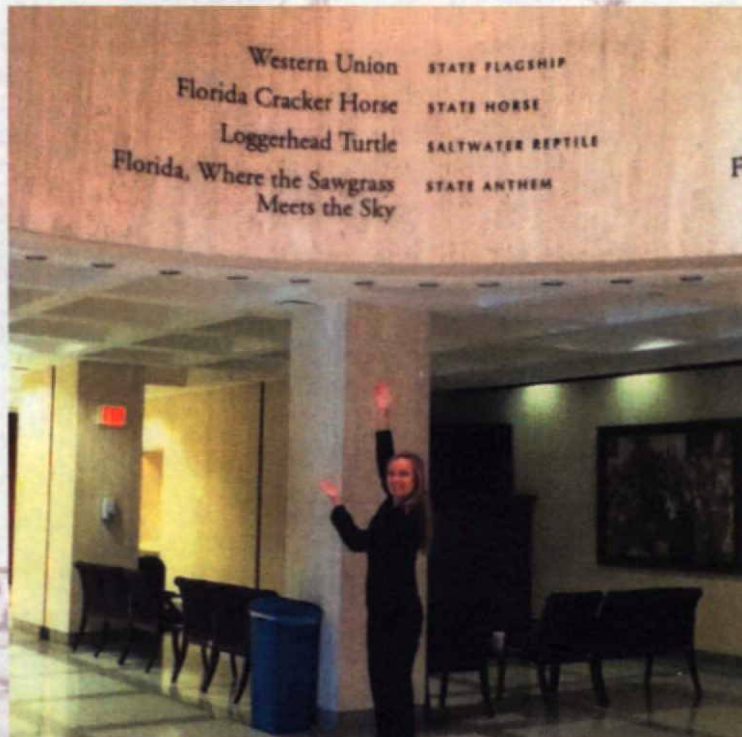
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Save the Western Union



Flagship of the State of Florida



June 2, 15

The Flagship of Key West and the State of Florida

10



Save the Western Union



2014 and the future

- When sailing again we expect her to continue to serve the locals, schools, NFP groups, tourist visitors, corporate groups, etc.
- When sailing the Schooner Western Union pays for her operations with a little set aside for annual maintenance
- She needs a significant refit now to meet Coast Guard passenger sailing requirements



Save the Western Union



Fundraising Focus

- Bight Board Support to be matched by the State of Florida, 2 for 1
- Local Fundraising including matching grants
- Crowdfunding site <http://schoonerwesternunion.causevox.com/>
- BP claim



Save the Western Union



Thank you for this opportunity
to talk about how the
City of Key West and the State of Florida
can help **Save the Western Union**

We must preserve our maritime heritage

Are there any questions?

<http://schoonerwesternunion.causevox.com>

Schooner Western Union Preservation Society